

Reaching New Customers via an On-Line Virtual Farmers' Market

Final Report

February 28, 2002

The Maryland Department of Agriculture (MDA) obtained a USDA – Federal-State Market Improvement Program grant to conduct a feasibility study gauging potential customers' interest in subscribing on-line to a service that would deliver fresh farm products to a site near their workplaces. This arrangement would benefit farmers in Central Maryland by putting them in touch with new customers for these products. Toward that end, MDA partnered with the Howard County Economic Development Authority (HCEDA), which hired an internet company called FarmerLink, LLC to conduct the study.

FarmerLink and HCEDA created surveys to measure potential customers' preferences for types of items to include in the deliveries, quantity of produce to include, price and most desirable time and day for customers to pick-up their orders near their workplaces.

In August 2001, three large employers in Howard County were approached about enabling their workers to participate in the survey – the Johns Hopkins Applied Physics Lab, Howard County General Hospital, and Micros Technology. All three originally agreed, but Micros later declined to post the survey on its internal e-mail network. Citing e-security concerns after the September 11 terrorist attacks, the Applied Physics Lab also withdrew from the project. APL has indicated a continued interest in the project and may allow employees to be surveyed after the agency regains a sense of normalcy, perhaps in Spring 2002.

HCEDA approached another employer in the county, Amerix, which agreed to participate in the project. The final set of participating firms included Howard County General Hospital (1,300 employees) and Amerix (600 employees).

FarmerLink created three electronic survey forms that could be filled-in online. These were posted on FarmerLink's web site. Individual surveys, with separate web addresses, were designed for each of the employers.

Howard County General Hospital posted the e-survey on supervisors' computer stations. The supervisors were asked to encourage employees to complete the survey, at their convenience, on the common stations. People such as maintenance staff, who don't have access to a station, did not have an opportunity to reply. However, an estimated 400 of the hospital's 1,300 employees had access to the survey.

Amerix planned to post the survey on the company's inter-office email but had technical difficulties and, instead, printed and distributed paper copies to supervisory

staff who forwarded them to employees. Employees were then given two days to complete the survey and return it. Completed forms were sent to FarmerLink for compilation.

The response rate was as follows:

<i>Company</i>	<i>Number of</i>	<i>Number</i>	<i>Response</i>
		<i>potential of replies rate</i>	
		<i>participants</i>	
Howard County General Hospital	400	23	5.7%
Amerix	<u>600</u>	<u>20</u>	3.3%
TOTAL		1,000	
		41	
			4.1%

All of the respondents indicated that they want to receive a mix of products. Not surprisingly, an overwhelming majority (85%) definitely want the mix to include fresh fruits and fresh vegetables. Nearly three-fourths (73%) also want their deliveries to include bread at least occasionally, while about half occasionally or definitely want eggs and organic vegetables. Respondents clearly want the subscription service to focus on food, with nearly 30% indicating that they “would not like” decorative items.

Top items desired in weekly baskets:

ITEM	NUMBER RESPONDING
	“DEFINITELY”
Seasonal fruits	35
Vegetables	35
Bread	21
Organic vegetables	15

Cut flowers	11
Eggs	10

Customers ideally want to spend about \$15.00 per week for 5 to 10 about pounds of produce they pick up on four successive Friday afternoons as they leave work

About half of the respondents (49%) would expect to spend \$15.00 per week for the products, and another 20% would pay \$25.00. They would strongly prefer to pick up their orders on Fridays (46%) or Mondays (22%). The most frequently requested weight was 5 pounds (46%), followed by 10 pounds (32%).

A plurality of customers (39%) wants to utilize the subscription service for 4 weeks per year, while 22% would prefer to subscribe for 12 weeks. Another 17% would participate for 16 weeks per year. __Most want to pick up their purchases as they leave work between 4:30 p.m. and 5:30 p.m. (44%) or 2:30 p.m. and 4:30 p.m. (37%).

This study has indicated that a market does exist for a subscription farmer's market in Central Maryland. Encouraged by the survey results and convinced of the potential for success, the farmers want to pursue the next phase of this effort without government aid.

They are taking steps to form an incorporated growers cooperative that will conduct a subscription service beginning this year. During a meeting in January with HCEDA and FarmerLink, the eight farmers who attended decided to offer potential customers at the Howard County General Hospital the opportunity to subscribe to a 16-week service with deliveries close to the hospital. An initial goal for the group is to have 50 subscriptions this first year. A second meeting of interested farmers was held February 15, 2002 .

At this point, a member of the group has offered to provide a drop off, storage and packaging site and cooler space for the venture. A manager also has been identified who will receive produce and ensure that farmer members are paid. Other growers will be surveyed to determine their interest in joining the effort.

The farmers are aware that many potential customers may want to talk to the producers and become comfortable with them before they will pre-pay for a season's worth of goods. Thus, a web site may be a good vehicle for introducing the public to the virtual farmers' market, its members and its products, but a telephone contact may be needed to encourage customers to order their initial subscriptions. After gaining confidence in the farmers and the produce subscription concept, buyers may be more inclined to order next year's subscriptions on-line.

Because the subscription service will operate in addition to current local farmers' market, it will give consumers another direct link to local agriculture as well as provide farmers with an expanding customer base. These farmers are wisely embracing

new marketing techniques to stay competitive, establish a wider marketing area and decrease marketing costs by lowering labor and retail counter investments.

APPENDICES

- A Survey form (*included with faxed and mailed versions of this report*)
- B Survey results for Amerix
- C Survey results for Howard County General Hospital
- D Compilation of results

Amerix Summary

APPENDIX B

Total number of respondents = 20

Category		Total
Bedding Plants	1. definitely would like	1
Bedding Plants	2. occasionally would like	6
Bedding Plants	3. would not like	2
Bread	1. definitely would like	13
Bread	2. occasionally would like	3
Bread	3. would not like	1
Category Prefer	basket of fresh seasonal fruits	1
Cider	1. definitely would like	2
Cider	2. occasionally would like	9
Cider	3. would not like	2
Cut Flowers	1. definitely would like	7
Cut Flowers	2. occasionally would like	2
Cut Flowers	3. would not like	3
Decorative Items	1. definitely would like	1
Decorative Items	2. occasionally would like	2
Decorative Items	3. would not like	8
Eggs	1. definitely would like	5
Eggs	2. occasionally would like	4
Eggs	3. would not like	5
Ethnic Vegetables	1. definitely would like	4
Ethnic Vegetables	2. occasionally would like	4
Ethnic Vegetables	3. would not like	3
Expected Average Value	\$15	8
Expected Average Value	\$20	4
Expected Average Value	\$25	4
Expected Average Value	\$30	1
Expected Average Value	\$35	2
Expected Weight	10 lbs.	6
Expected Weight	12 lbs.	2
Expected Weight	15 lbs.	2
Expected Weight	5 lbs.	7
Expected Weight	more than 18 lbs.	
Fresh Seasonal Fruits	1. definitely would like	18
Fresh Seasonal Fruits	3. would not like	1
Fresh Seasonal Vegetables	1. definitely would like	15
Fresh Seasonal Vegetables	2. occasionally would like	4
Garlic	1. definitely would like	3
Garlic	2. occasionally would like	

Garlic	3. would not like	5
Herbs/cut or dried	1. definitely would like	3
Herbs/cut or dried	2. occasionally would like	5
Herbs/cut or dried	3. would not like	3
Honey	1. definitely would like	3
Honey	2. occasionally would like	6
Honey	3. would not like	3
Length of Delivery	12 weeks	5
Length of Delivery	16 weeks	3
Length of Delivery	4 weeks	6
Length of Delivery	8 weeks	2
Organic Grown Vegetables	1. definitely would like	4
Organic Grown Vegetables	2. occasionally would like	2
Organic Grown Vegetables	3. would not like	3
Pick Up Day of Week	Friday	8
Pick Up Day of Week	Monday	8
Pick Up Day of Week	Thursday	3
Pick Up Day of Week	Wednesday	1
Pick Up Time of Day	2:30 - 3:30 PM	4
Pick Up Time of Day	3:30 - 4:30 PM	6
Pick Up Time of Day	4:30 - 5:30 PM	10
Pies	1. definitely would like	4
Pies	2. occasionally would like	4
Pies	3. would not like	2
Potted Herbs	1. definitely would like	1
Potted Herbs	2. occasionally would like	6
Potted Herbs	3. would not like	4
Specialty Meats	1. definitely would like	5
Specialty Meats	2. occasionally would like	2
Specialty Meats	3. would not like	5
Want One Product Type	No	20

Howard County General Hospital summary

*APPENDI
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Total number of respondents: 21

Category	Total Responses
Bedding Plants	1. definitely would like
Bedding Plants	2. occasionally would like
Bedding Plants	3. would not like
Bread	1. definitely would like
Bread	2. occasionally would like

Bread	3. would not like	1
Category Prefer	basket of fresh seasonal fruits	2
Cider	1. definitely would like	3
Cider	2. occasionally would like	4
Cider	3. would not like	3
Cut Flowers	1. definitely would like	4
Cut Flowers	1. definitely would like	4
Cut Flowers	3. would not like	3
Decorative Items	1. definitely would like	1
Decorative Items	2. occasionally would like	6
Decorative Items	3. would not like	4
Eggs	1. definitely would like	5
Eggs	2. occasionally would like	8
Eggs	3. would not like	2
Ethnic Vegetables	1. definitely would like	1
Ethnic Vegetables	2. occasionally would like	4
Ethnic Vegetables	3. would not like	5
Expected Average Value	\$15	12
Expected Average Value	\$20	2
Expected Average Value	\$25	4
Expected Average Value	\$30	2
Expected Average Value	\$35	1
Expected Weight	10 lbs.	7
Expected Weight	12 lbs.	1
Expected Weight	5 lbs.	12
Expected Weight	more than 18 lbs.	1
Fresh Seasonal Fruits	1. definitely would like	17
Fresh Seasonal Fruits	2. occasionally would like	3
Fresh Seasonal Vegetables	1. definitely would like	20
Garlic	1. definitely would like	4
Garlic	2. occasionally would like	6
Garlic	3. would not like	4
Herbs/cut or dried	1. definitely would like	4
Herbs/cut or dried	2. occasionally would like	5
Herbs/cut or dried	3. would not like	4
Honey	2. occasionally would like	7
Honey	3. would not like	3
Length of Delivery	12 weeks	4
Length of Delivery	16 weeks	4
Length of Delivery	4 weeks	10
Length of Delivery	8 weeks	3
Organic Grown Vegetables	1. definitely would like	11
Organic Grown Vegetables	2. occasionally would like	2

Organic Grown Vegetables	3. would not like	3
Pick Up Day of Week	Friday	11
Pick Up Day of Week	Monday	1
Pick Up Day of Week	Thursday	3
Pick Up Day of Week	Tuesday	2
Pick Up Day of Week	Wednesday	4
Pick Up Time of Day	2:30 - 3:30 PM	3
Pick Up Time of Day	3:30 - 4:30 PM	9
Pick Up Time of Day	4:30 - 5:30 PM	8
Pies	1. definitely would like	2
Pies	2. occasionally would like	6
Pies	3. would not like	3
Potted Herbs	1. definitely would like	3
Potted Herbs	2. occasionally would like	6
Potted Herbs	3. would not like	5
Specialty Meats	1. definitely would like	2
Specialty Meats	2. occasionally would like	6
Specialty Meats	3. would not like	2
Want One Product Type	No	21
Want One Product Type	Yes	0

APPENDIX D

Survey Results Overview

CATEGORY	AMERIX	HoCo General	Total	% of 41 responses
Bedding plants – definitely	1	3	4	9.76%
Bedding plants – occasionally	6	2	8	19.51%
Bedding plants - would not like	2	3	5	12.20%
Bread – definitely	13	8	21	51.22%
Bread – occasionally	3	6	9	21.95%
Bread -- would not like	1	1	2	4.88%
Cider – definitely	2	3	5	12.20%
Cider – occasionally	9	4	13	31.71%
Cider -- would not like	2	3	5	12.20%
Cut flowers – definitely	7	4	11	26.83%

Cut flowers – occasionally	2	4	6	14.63%
Cut flowers -- would not like	3	3	6	14.63%
Decorative items – definitely	1	1	2	4.88%
Decorative items – occasionally	2	6	8	19.51%
Decorative items -- would not like	8	4	12	29.27%
Eggs – definitely	5	5	10	24.39%
Eggs – occasionally	4	8	12	29.27%
Eggs -- would not like	5	2	7	17.07%
Ethnic vegetables – definitely	4	1	5	12.20%
Ethnic vegetables – occasionally	4	4	8	19.51%
Ethnic vegetables -- would not like	3	5	8	19.51%
Expected Average Value – \$15	8	12	20	48.78%
Expected Average Value – \$20	4	2	6	14.63%
Expected Average Value – \$25	4	4	8	19.51%
Expected Average Value – \$30	1	2	3	7.32%
Expected Average Value – \$35	2	1	3	7.32%
Expected Weight – 10 lbs.	6	7	13	31.71%
Expected Weight – 12 lbs.	2	1	3	7.32%
Expected Weight – 15 lbs.	2		2	4.88%
Expected Weight – 5 lbs.	7	12	19	46.34%
Expected Weight – more than 18 lbs.	0	1	1	2.44%
Fresh Seasonal Fruits – definitely	18	17	35	85.37%
Fresh Seasonal Fruits – occasionally	0	3	3	7.32%
Fresh Seasonal Fruits -- wouldn't like	1		1	2.44%
Fresh Vegetables - definitely	15	20	35	85.37%
Fresh Vegetables - occasionally	4		4	9.76%
Fresh Vegetables - wouldn't like			0	0.00%
Garlic – definitely	3	4	7	17.07%
Garlic – occasionally		6	6	14.63%
Garlic -- would not like	5	4	9	21.95%
Herbs – definitely	3	4	7	17.07%

Herbs – occasionally	5	5	10	24.39%
Herbs -- would not like	3	4	7	17.07%
Honey – definitely	3		3	7.32%
Honey – occasionally	6	7	13	31.71%
Honey -- would not like	3	3	6	14.63%
Length of Delivery - 12 weeks	5	4	9	21.95%
Length of Delivery - 16 weeks	3	4	7	17.07%
Length of Delivery - 4 weeks	6	10	16	39.02%
Length of Delivery - 8 weeks	2	3	5	12.20%
Organic vegetables – definitely	4	11	15	36.59%
Organic vegetables – occasionally	2	2	4	9.76%
Organic vegetables -- would not like	3	3	6	14.63%
Pick up Day – Friday	8	11	19	46.34%
Pick up Day - Monday	8	1	9	21.95%
Pick up Day - Thursday	3	3	6	14.63%
Pick up Day - Tuesday		2	2	4.88%
Pick up Day - Wednesday	1	4	5	12.20%
Pick up Time - 2:30 - 3:30	4	3	7	17.07%
Pick up Time - 2:30 - 4:30	6	9	15	36.59%
Pick up Time - 4:30 - 5:30	10	8	18	43.90%
Pies – definitely	4	2	6	14.63%
Pies – occasionally	4	6	10	24.39%
Pies -- would not like	2	3	5	12.20%
Potted herbs – definitely	1	3	4	9.76%
Potted herbs – occasionally	6	6	12	29.27%
Potted herbs -- would not like	4	5	9	21.95%
Specialty meats – definitely	5	2	7	17.07%
Specialty meats – occasionally	2	6	8	19.51%
Specialty meats -- would not like	5	2	7	17.07%
Want one product type – NO	20	21	41	100.00%
Want one product types – YES		0	0	0.00%

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